Mr. Haney stated he told the doctor that so far as Pearson and the union were concerned the doctor had been fully paid when the National sent its check to him and that the union had advised Pearson to make no personal payment on the account. Mr. Haney related further that the union had decided to make this a test case and asked us to cooperate with them.

C. C. Bechtold
General Manager

CCB B

Plaintiff's Exhibit 1549

7835 February 1, 1943

Re: Doctor Situation at Sandy

Mr. Monnie:

I am handing you memorandums relating to the doctor situation at Sandy. Since you are well acquainted with Mr. McCauley, I am going to request that you personally follow this up within the next few days or a week.

C. C. Bechtold

CCB:ma

Plaintiff's Exhibit 1550

7836 February 1, 1943

Re: Walter E. Koch

and

Dr. Platner

MEMO:

I have just had a telephone conversation with Mr. McCauley of Walter E. Koch of Brightwood, in response to his not in which he stated that Dr. Platner would not honor the Association's hospital tickets.

I explained to Mr. McCauley that under the contract we agreed to bear the expense for the employes and therefore if any employe could not obtain services on the tickets he should take up an itemized statement from the doctor and send it this office and we would refund the account to the employes, or if he had not paid the account, we would send him the money with which to pay it.

This memorandum follows information furnished me a few days ago by Mr. Page, reporting on his interview with Dr. Platner.

C. C. Bechtold

CCB:ma

Plaintiff's Exhibit 1551

7837 December 15, 1943

Mr. Page:

A few days ago, I had a talk with Thomas S. Saunders, M.D., regarding his bill for services to Kenneth Worley. Saunders told me that he was advised by some members of the medical council not to treat members of the Association and therefore he would prefer that we send our check to the member.

I told him that this would be entirely satisfactory with the Association. Concerning the Kenneth Worley account, we should write to Mr. Worley and send our check to him at this time or hold this matter pending until we have heard from Mr. Worley. I will leave this matter up to you, Mr. Page, to decide.

C. C. Bechtold

CCB:mk

Plaintiff's Exhibit 1552

7838 January 9, 1941

Mr. Page:

I had a telephone conversation this morning with Dr. E. H. McLean of Oregon City in which the matter of fees was discussed. I asked the doctor if he had received a copy of our industrial fee schedule and, if so, what he thought of it, to which he replied in the affirmative and stated that "that was about all that they had charged anyway."

I told the doctor that we understood he would be unable to accept our check, and therefore we sent our checks to the employes with the hope that he would receive them. He said he was sorry that such a situation existed in Oregon City, but that one doctor alone could not "break it down", although he felt very kindly toward the National as it always kept its promises while another Association seldom kept theirs.

During the course of the conversation, he told me that the doctors in Oregon City had not as yet renewed their contracts with the paper mills, but they intended to hold out unless Mr. Kirk weakened. Apparently they have had some misunderstanding with Industrial.

In view of this conversation with the doctor, I suggest that you have a check drawn to Mr. Bigej in accordance with the recent fee schedule, and turn it over to me for a letter to Mr. Bigej.

C. C. Bechtold

CCB:eml

Plaintiff's Exhibit 1553

7839 September 10, 1941

MEMORANDUM—

Re: Walter Bowers—Snow Peak Logging Company
Phone: 3590

Early last week Mr. Armstrong, office manager of Snow Peak Logging Company at Lacomb, telephoned me stating that one of their employes, Walter Bowers, got a thorn in his knee which became infected. Armstrong stated that Bowers phoned him from Eugene telling him that he had applied to several doctors and had been informed that none of the doctors at Eugene nor the hospitals would accept a National member.

Following this conversation, I telephoned Mr. Bowers, whose telephone number is 3590 Eugene, and his version was that he had applied to Dr. Koffman, who told him that he could not treat Mr. Bowers on a National ticket. Bowers stated that he had first tried to get Dr. Sether, but that Dr. Sether was not in and that the doctor's office referred him to Dr. Koffman. I explained to Mr. Bowers that it was not necessary for him to apply to any of the doctors with a National ticket if there was any question about it. He should obtain services as a private patient and take up the bill from the doctor and send it to this office for payment. This he told me he would do.

Later I telephoned Dr. Sether explaining the whole situation to him. The doctor informed me that Dr. Koffman was a young man who recently came to Eugene to take an office with Dr. Faust. He stated that he was sure there had been a misunderstanding, and that he would

personally take the matter up with Dr. Koffman and would also see that Mr. Bowers was given attention.

Later in the day Dr. Sether phoned me stating that the matter had been taken care of and that it was satisfactory with all parties concerned. I related this information to Mr. Armstrong at Lebanon 46fl.

C. C. Bechtold

CCB:ma:

Plaintiff's Exhibit 1554

7840 September 9, 1940

Norris Brothers
Re: Carl Reed

Mildred:

The case of Carl Reed of Norris Brothers is one that should be assembled since this represents a case where employe is protected from paying hospital fees because the local doctors refuse to accept the National tickets and is one that can be used to good advantage by our salesmen.

I suggest that when the bills are received, photographic copies be made and that a history of the case be written up detailing the controversy regarding termination of the contract.

CCB

CCB:s

Plaintiff's Exhibit 1555

7841 August 18, 1939

MEMO:

I have just had a long-distance conversation with Fred Morey, manager of the Oregon City Sand and Gravel Company, in response to his letter of the 17th regarding the doctor situation at Oregon City. Mr. Morey seemed familiar with the reason for the doctors' attitude or with the services they render under our contract. I explained to him that under his contract the Association did not agree to furnish the services, but agreed to bear the expense of the service and therefore, if the employes would apply to the doctors as private patients and take up itemized statements giving complete diagnosis of conditions treated, the Association would refund or reimburse the employe, provided, of course, the charges were compar-

able with fees the doctors would receive from the employe, were he not a member of the National Hospital Association.

C. C. Bechtold

CCB-s
Mr. Page
contract

Plaintiff's Exhibit 1556

7842 January 7, 1943

Memo:

Dr. Robert L. Benson phoned me today in regard to the attitude of the County Medical Society against the National Hospital Association. In the conversation the doctor volunteered the information that he had always been opposed to the Medical Society's attack on us—couldn't understand why it was done since he had always found the National Hospital Association straight and above board and in his opinion much straighter than the Multnomah Medical Service Bureau. The doctor lamented this situation and several times expressed the hope that the action against the National by the Medical Society would be withdrawn.

He stated he considered us purely in the light of insurance and so far as he had been able to learn we were conducting our business in an honest manner and were a benefit rather than a hindrance.

I told him that a number of the prominent medical men in Portland shared his views and that among them were a number of outstanding specialists who had accepted National members without question. I mentioned to him my recent talk with Dr. Adams and Dr. Carl Wilson—also Dr. Coberth. Dr. Benson stated he was glad I had mentioned these men and that he intended to discuss National relations with them. He seemed very much worried about the situation and continued to express himself as being very much opposed to the action of the medical society.

C. C. Bechtold
General Manager

CC B

Plaintiff's Exhibit 1557

7830 NEW PLANS FOR MEDICAL PRACTICE

CHARLES T. SWEENEY, M. D.
MEDFORD, ORE.

7831 NEW PLANS FOR MEDICAL PRACTICE*

CHARLES T. SWEENEY, M. D.
MEDFORD, ORE.

Last year when I was honored with the office of President of Oregon State Medical Society, I accepted the position with full appreciation of my responsibilities and have tried to meet them in a way that would uphold the dignity and honor of medicine in the State of Oregon. I assumed this responsibility with a realization that it was an opportunity for service and I started out with this in mind. How well I have succeeded is for you to judge, and yet can you judge fairly, for just a few days ago I sought the advice of one of our vice-presidents on some issues, and he at once informed me that he did not know there were so many angles or complex problems involved in the various activities of the State Medical Society. Still I have tried to deal honestly and fairly, regardless of the fact that mortal man was never able to please and satisfy everyone.

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As long as we have a law on the statute books of the State of Oregon legalizing hospital associations, and
7833 no matter by whom owned or how controlled, if they do not break any laws, we will have, perhaps, that unpleasant, if I may say it, competitor to contend with, but we should surely be able now to sell the laborers and even the low-wage earners something better, something cleaner and something that will retain that age old tradition of free choice of physician and preserve that time-honored relation between physician and patient.

As it is now, a more or less chaotic condition exists, every contract held and every group in the state is a commercial enterprise or else there would be no incentive

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* President's Address, read before the Sixty-fourth Annual Meeting of Oregon State Medical Society, Timberline Lodge, Ore., Aug. 24-27, 1938.

to carry on. This statement is true, no matter who owns or manages the organization, and the plan which insures the doctor commensurate and just fees for his service and provides real adequate medical care for the patient is the plan and the only plan that will finally succeed.

Now as to the details of getting under way. All the suggestions I have made and the proposals in the policy adopted last evening are not at once practical, but it seems to me the so-called mutuals have made the start, and that it is up to the State Society, if it cannot be a leader, to be a good follower, to remember that being good followers saved eleven of the twelve disciples.

A lot has been said for years regarding the public and medical profession, our public policy and public education projects and our committees for carrying on this work. Until we learn to control ourselves better, until we return to our aims and duties as laid down in the preamble I just read to you, public confidence in the medical profession will be shaken and I will say unjustly in most instances, but until we cease bickering among ourselves, until we sit down around the table and grant that the other fellow may have the same rights as well as we, and until we find a solution of some problems that we have as yet been unable to solve, until we learn there is a difference between the Code of Medical Ethics and the Principles of Medical Ethics and cease arbitrary disciplinary tactics among ourselves, not until then can we expect the public to have confidence in us and look to us for leadership as in the days gone by.

Grand jury investigations and propagandism in lay press and magazines are sufficient evidence of the trend of the day. Most of you do not know how near we came to an unpleasant legal embarrassment last winter, had your president pledged the State Society's support to a certain local problem and for which I received the usual reward for being conservative. These are the things which undermine our influence in the community, state or nation.

VOLUME VII

TRANSCRIPT OF RECORD

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1951

No. 19

THE UNITED STATES OF AMERICA, APPELLANT,

VS.

OREGON STATE MEDICAL SOCIETY, OREGON PHYSICIANS SERVICE, CLACKAMAS COUNTY MEDICAL SOCIETY, ET AL.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON.

FILED MARCH 16, 1951

VOLUME VII

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